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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/18 AND ENDING 12/31/18  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: LUCIA SECURITIES, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

13520 EVENING Creek Dr. N. Ste 300

(No. and Street)

San Diego

(City)

CA

(State)

92128

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

MARGARITA WINE858-726-1155

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

LAVINE, Lefgreen, Morris & Engelberg, LLP

(Name - if individual, state last, first, middle name)

4180 LA JOLLA VILLAGE Dr. Ste 300 La Jolla CA 92037

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

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Section

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Washington DC

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (11-05)

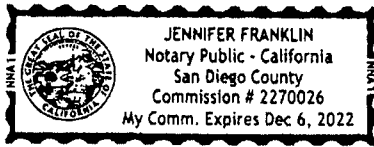
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RMS

OATH OR AFFIRMATION

I, Raymond J. Lucia, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Lucia Securities, LLC, as of Dec 31, 2018, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NIA



Jennifer Franklin  
Notary Public

[Signature]  
Signature  
CEO  
Title

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**LUCIA SECURITIES, LLC**

**FINANCIAL STATEMENTS**

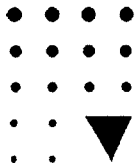
**For the Year Ended December 31, 2018**

# **LUCIA SECURITIES, LLC**

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**LAVINE, LOFGREN, MORRIS  
& ENGELBERG, LLP**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Member of Lucia Securities, LLC  
San Diego, California

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Lucia Securities, LLC as of December 31, 2018, the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Lucia Securities, LLC as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of Lucia Securities, LLC's management. Our responsibility is to express an opinion on Lucia Securities, LLC's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Lucia Securities, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Auditor's Report on Supplemental Information**

The Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission and Computation for Determination of Reserve Requirements and Information Relating to the Possession and Control Requirements Under SEC Rule 15c3-3 (Exemption) have been subjected to audit procedures performed in conjunction with the audit of Lucia Securities, LLC's financial statements. The supplemental information is the responsibility of Lucia Securities, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission and Computation for Determination of Reserve Requirements and Information Relating to the Possession and Control Requirements Under SEC Rule 15c3-3 (Exemption) are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Lavine, Lofgren, Morin & Engelberg, LLP*

We have served as Lucia Securities, LLC's auditor since 2011.

La Jolla, California  
February 13, 2019

# **LUCIA SECURITIES, LLC**

## **Statement of Financial Condition As of December 31, 2018**

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### **ASSETS**

Cash	\$ 831,972
Deposit with clearing broker	100,000
Commissions receivable	258,108
Due from related parties	1,368,905
Other assets	<u>125,802</u>
<b>Total assets</b>	<b><u>\$ 2,684,787</u></b>

### **LIABILITIES AND MEMBER'S EQUITY**

Liabilities:	
Accounts payable and accrued expenses	<u>\$ 118,329</u>
<b>Total liabilities</b>	<b>118,329</b>
Member's equity	<u>2,566,458</u>
<b>Total liabilities and member's equity</b>	<b><u>\$ 2,684,787</u></b>

See accompanying notes to financial statements  
and independent registered public accounting firm's report.

## **LUCIA SECURITIES, LLC**

### **Statement of Operations For the Year Ended December 31, 2018**

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Income:		
Commissions	\$	7,506,596
Other income		<u>1,775,169</u>
Total income		<u>9,281,765</u>
Expenses:		
Management fees		4,696,590
Commission expense		738,307
Payroll and related expenses		457,309
Client account fees		443,924
Technology and support expense		585,765
Rent and office occupancy expenses		99,119
Professional fees		62,174
License and insurance expenses		164,754
Marketing and advertising expenses		59,850
Other operating expenses		<u>12,456</u>
Total expenses		<u>7,320,247</u>
<b>Net income</b>	<b>\$</b>	<b><u>1,961,518</u></b>

See accompanying notes to financial statements  
and independent registered public accounting firm's report.

## **LUCIA SECURITIES, LLC**

### **Statement of Changes in Member's Equity For the Year Ended December 31, 2018**

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Member's equity, beginning of year	\$ 1,724,940
Net income	1,961,518
Distributions to member	<u>(1,120,000)</u>
Member's equity, end of year	<u>\$ 2,566,458</u>

See accompanying notes to financial statements  
and independent registered public accounting firm's report.

## **LUCIA SECURITIES, LLC**

### **Statement of Cash Flows For the Year Ended December 31, 2018**

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Cash flows from operating activities:	
Net income	\$ 1,961,518
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Commissions receivable	65,719
Due from related parties	(350,911)
Other assets	(48,486)
Accounts payable and accrued expenses	<u>(75,421)</u>
<b>Net cash provided by operating activities</b>	<u>1,552,419</u>
Cash flows used in financing activities - Distributions to member	<u>(1,120,000)</u>
<b>Net increase in cash</b>	432,419
Cash, beginning of year	<u>399,553</u>
Cash, end of year	<u><u>\$ 831,972</u></u>

See accompanying notes to financial statements  
and independent registered public accounting firm's report.

# **LUCIA SECURITIES, LLC**

## **Notes to Financial Statements December 31, 2018**

---

### **NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Nature of Operations**

Lucia Securities, LLC (the "Company") is organized under the laws of the state of Delaware pursuant to the Delaware Limited Liability Company Act. The Company is a registered broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"), an entity created through the consolidation of the National Association of Securities Dealers ("NASD") and the Securities Investor Protection Corporation ("SIPC").

The Company is an LLC wholly owned by Lucia Capital Group, LLC. Due to the nature of an LLC, its member has limited liability.

The Company is exempt from SEC Rule 15c3-3(k)(2)(ii) of the Customer Protection Rule. In connection with its activities as a broker/dealer, the Company is an introducing firm and does not hold customer funds or securities.

#### **Basis of Accounting**

The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and in the format prescribed by Rule 17a-5 under the Securities Exchange Act of 1934 for broker/dealers in securities.

#### **Commissions Receivable**

Commissions receivable are due from the Company's clearing broker and other financial service companies. Management has determined that no allowance for doubtful commissions receivable is necessary at December 31, 2018.

#### **Income Recognition**

Commission income results from marketing services performed by registered representatives of the Company on behalf of non-affiliated financial services companies. Because the nature of the marketing is to mass audiences, the Company is not able to reasonably estimate the timing or amount of the income. Therefore, these marketing services are recognized as income upon notification of such by the non-affiliated broker/dealer.

Commission income is also earned for marketing services performed for financial services companies whereby the Company acts as the introducing broker/dealer. The Company is not able to reasonably estimate the timing or amount of this income. As such, these marketing services are recognized as income upon notification by the financial services companies.

Other income includes dealer reallowance fees, brokerage ticket charges, alternative purchase fees, underwriting, referral fees, and interest and inactivity fees. The Company is not able to reasonably estimate these fees and as such, these services are recognized as income upon notification by the non-affiliated financial services companies and the clearing broker. Other income also includes distribution reallowances, event sponsorships, fees billed to independent advisors and related parties (Note 2). The Company is able to reasonably estimate these fees and as such, income from these services is recognized in the period in which the services are performed.

# **LUCIA SECURITIES, LLC**

## **Notes to Financial Statements December 31, 2018**

---

### **NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Income Taxes**

The Company is not subject to federal or state income taxes and, accordingly, no provision for income taxes has been made in the accompanying financial statements. The member is required to report any gains, losses, credits or deductions on its individual tax returns. Generally, the Company is subject to income tax examinations by major taxing authorities during the four year period prior to the period covered by these financial statements. If such examination results in a change in the Company's income tax status, a provision for income taxes may need to be recorded. The Company's management believes that the Company has taken no significant uncertain tax positions.

#### **Deferred Income**

The Company enters into agreements with financial services companies for which the Company is a broker of their products and occasionally receives an advance. Such advances are recorded as deferred income to be earned or repaid based on specific criteria.

#### **Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts and disclosures in the financial statements. Actual results could differ from those estimates.

#### **Recent Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance codified in Accounting Standards Codification ("ASC") 606, "Revenue Recognition - Revenue from Contracts with Customers," which amends the guidance in ASC 605, "Revenue Recognition." The core principle of the standard is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. The standard also calls for additional disclosures around the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Company is required to adopt this standard effective January 1, 2019. The standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption ("modified retrospective method"). The Company anticipates using the modified retrospective method and is currently evaluating the impact the new standard will have on the financial statements of the Company.

#### **Subsequent Events**

Management of the Company has evaluated all subsequent transactions through the date of the independent registered public accounting firm's report, which is the date the financial statements were available to be issued, and has determined that there are no subsequent events that require recognition or disclosure.

## **LUCIA SECURITIES, LLC**

### **Notes to Financial Statements December 31, 2018**

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#### **NOTE 2. RELATED-PARTY TRANSACTIONS**

Pursuant to an expense sharing agreement with Lucia Management Company, LLC ("LMC"), the Company is billed personnel related expenses of the operations team and allocated certain general overhead expenses that LMC pays on behalf of the Company. LMC and the Company have common ownership and share office space and other overhead expenses. As such, LMC allocates rent based upon the percentage of total square footage occupied by the operations team divided by the total occupied square footage. Office equipment, depreciation, and other shared expenses are allocated based upon the number of personnel on the operations team divided by the total personnel employed by LMC. During 2018, the Company incurred \$448,094 in expenses related to compensation and benefits of the operations team, \$75,441 in expenses related to occupancy, \$22,240 in expenses related to office equipment, and \$4,537 in other expenses.

In accordance with the expense sharing agreement, the Company is allocated an amount equal to 90% of the commission revenue generated by advisors employed by LMC and is assessed a fixed monthly amount to cover overhead expenses related to LCG. This amount is paid monthly to LMC who in turn pays it to LCG. During 2018, the management fee totaled \$4,696,590. Prior to 2018, the Company has remitted amounts in excess of the expenses due under the agreement, resulting in a receivable due from LMC in the amount of \$1,363,926 (remaining amount as of December 31, 2018). This agreement can be terminated by either party at any time.

As a part of the expense sharing agreement the Company also collects fees from LMC for professional liability insurance and technology platform fees. During 2018, the Company recorded income of \$719,405 of technology platform fees and \$158,260 of professional liability insurance. There is a similar arrangement with Pinhook Capital, LLC ("Pinhook"), formerly LCM Investment Management, LLC. During 2018, the Company invoiced Pinhook \$28,523 for technology platform fees, which is recorded in other income.

The Company also has an arrangement with Pinhook for the profit sharing fees from the sale of a certain class of shares of the Destra Multi-Alternative Fund ("the Fund") paid to the Company from an underwriter of the Fund. The profit sharing fees are used to cover the expenses of the sales team of the Fund. During 2018, the Company billed Pinhook \$60,743 for expenses that exceeded the fees received, which is recorded as an offset to other operating expenses.

The Company has an arrangement with LWS to pass along the Registered Investment Advisor's portion of the managed account fees billed via their clearing broker to LWS. As of December 31, 2018, the Company remitted an amount in excess of the fees generated in the fourth quarter of 2018, resulting in a receivable due from LWS in the amount of \$4,979.

The Company has an agreement with another related party, RJL Licensing Company, LLC ("RJL Licensing"). According to the agreement, RJL Licensing provides access to and use of the intellectual property of "The Bucket Strategy Advisor Network ®". Subject to the terms of this agreement, the Company pays licensing fees to RJL Licensing. The Company recorded \$180,000 of licensing fees during the year ended December 31, 2018, which is included in technology and support expense.

## **LUCIA SECURITIES, LLC**

### **Notes to Financial Statements December 31, 2018**

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#### **NOTE 3. NET CAPITAL REQUIREMENTS**

The Company is subject to SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital, and maintenance of the ratio of aggregate indebtedness to net capital, both as defined, not to exceed 15 to 1, and compliance with restrictions on withdrawal of equity capital. At December 31, 2018, the Company had net capital of \$1,055,569, which was \$1,005,569 in excess of its required minimum net capital. The Company's ratio of aggregate indebtedness to net capital was 0.11 to 1.

#### **NOTE 4. CONCENTRATION OF CREDIT RISK**

The Company maintains all cash in bank accounts, which at times may exceed federally insured limits. The Company has not experienced a loss in such accounts and believes it is not exposed to any significant credit risk with respect to cash.

#### **NOTE 5. CLEARING AGREEMENT**

In June 2011, the Company entered into a seven-year clearing agreement whereby the clearing broker provides certain services to the Company's clients. The agreement provided for, among other things, a one-time incentive fee of \$1,500,000 to the Company. When the Company renewed the agreement in March 2017 for an additional nine years, it received another incentive fee of \$1,500,000 from the clearing broker. The incentive fee is not subject to the repayment to the clearing broker in the event that the Company terminates the agreement. The original clearing agreement and the renewal included a provision that termination fees would be due to the clearing broker if the Company were to breach the terms of the renewal agreement or terminate the agreement voluntarily. The fees were equal to the greater of the quarterly minimum revenue requirement, as defined, or \$72,321 per quarter from October 2016 through September 2018, and then \$60,000 per quarter from October 2018 and onwards.

In December 2018, the Company and the clearing broker amended the renewal agreement to change the initial term of the agreement to end on December 31, 2018; and, going forward will automatically renew for successive renewal terms equal to twelve months unless terminated by either party. The termination fees will no longer apply but the Company will be responsible for any transfer, conversion, or closing account fees in the event of termination of the agreement. The \$1,500,000 incentive fee that the Company received in March 2017 was considered fully earned in 2017 and not subject to repayment to the clearing broker, in the event that the Company terminates the agreement.

The Company is required to have a \$100,000 deposit with the clearing broker. The deposit was made in June 2011, when the agreement was initially executed.

#### **NOTE 6. LITIGATION**

The Company is currently involved in various legal proceedings arising in the ordinary course of business. While the outcome of these proceedings cannot be predicted with certainty, the Company's management, after taking into consideration information furnished by counsel, does not believe that any of these proceedings will have a materially adverse effect on the financial condition or results of operations of the Company.

## **SUPPLEMENTARY INFORMATION**

## **LUCIA SECURITIES, LLC**

### **Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission As of December 31, 2018**

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#### **Net capital**

Member's equity	\$ 2,566,458
Less: Total non-allowable assets	<u>1,510,889</u>
Net capital	<u><u>\$ 1,055,569</u></u>

#### **Computation of basic net capital requirement**

1. Minimum dollar net capital	<u><u>\$ 50,000</u></u>
Aggregate indebtedness	<u><u>\$ 118,329</u></u>
2. Minimum net capital, aggregate indebtedness standard	<u><u>\$ 7,889</u></u>
Capital required (larger of 1 or 2)	<u><u>\$ 50,000</u></u>
Excess net capital	<u><u>\$ 1,005,569</u></u>
Net capital less greater of: 10% aggregate indebtedness or 120% minimum net capital	<u><u>\$ 995,569</u></u>
Ratio: Aggregate indebtedness to net capital	<u><u>11.21%</u></u>

#### **Reconciliation with Company's computation (included in Part II of Form X-17A-5)**

Net capital, as reported in Company's Part II (unaudited) FOCUS report	\$ 1,005,569
Rounding	<u>-</u>
Net capital - per above	<u><u>\$ 1,055,569</u></u>
Total aggregate indebtedness, as reported in Company's Part II (unaudited) FOCUS report	\$ 118,329
Rounding	<u>-</u>
Aggregate indebtedness - per above	<u><u>\$ 118,329</u></u>

See accompanying independent registered public accounting firm's report.

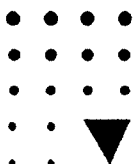
## **LUCIA SECURITIES, LLC**

### **Computation for Determination of Reserve Requirements and Information Relating to the Possession and Control Requirements Under Rule 15c3-3 (Exemption) For the Year Ended December 31, 2018**

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Lucia Securities, LLC operates pursuant to the paragraph (k)(2)(ii) exemption provision of the Securities and Exchange Commission Rule 15c3-3, of the customer protection rules, and does not hold customer funds or securities. Therefore, there are no reserve requirements and no possession and control requirements.

See accompanying independent registered public accounting firm's report.



**LAVINE, LOFGREN, MORRIS  
& ENGELBERG, LLP**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
EXEMPTION REPORT REQUIRED BY SEC RULE 15c3-3**

To the Member of Lucia Securities, LLC  
San Diego, California

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Lucia Securities, LLC (the "Company") identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(ii) (exemption provisions), and (2) the Company stated that the Company met the identified exemption provision throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Lavine, Lofgren, Morris & Engelberg, LLP*

La Jolla, California  
February 13, 2019



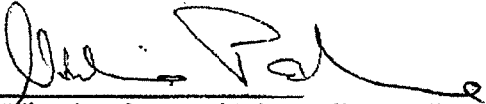
### Lucia Securities LLC's Exemption Report

Lucia Securities, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3 (k); (2) The Company had no obligations under 17 C.F.R. §240.15c3-3 throughout the most recent fiscal year without exception.

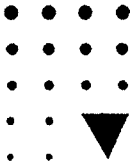
Signature:   
Name & Title: Raymond J. Lucia, Jr., CEO

Signature:   
Name & Title: Margarita Tune, FinOp

Signature:   
Name & Title: Viktoria Palermo, Chief Compliance Officer

02/13/2019

## **SIPC ANNUAL ASSESSMENT**



**LAVINE, LOFGREN, MORRIS  
& ENGELBERG, LLP**

**CERTIFIED  
PUBLIC  
ACCOUNTANTS**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
APPLYING AGREED-UPON PROCEDURES**

To the Member of Lucia Securities, LLC  
San Diego, California

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below and were agreed to by Lucia Securities, LLC (the "Company") and the SIPC, solely to assist you and SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2018. The Company's management is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
2. Compared the Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2018, with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2018, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

Report on Applying Agreed-Upon Procedures (Continued)

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We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with the applicable instructions of the Form SIPC-7 for the year ended December 31, 2018. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.

*Lavine, Lofgren, Morin & Engelberg, LLP*

La Jolla, California  
February 13, 2019

**LUCIA SECURITIES, LLC****Schedule of Assessment and Payments (Form SIPC-7)  
to the Securities Investor Protection Corporation  
For the Year Ended of December 31, 2018**

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	<u>Amount</u>
Total assessment	\$ 8,596
SIPC-6 general assessment Payment made on July 24, 2018	4,349
SIPC-7 general assessment Payment made on February 11, 2019	<u>4,247</u>
Total assessment balance (overpayment carried forward)	<u>\$ -</u>

See report of independent registered public accounting firm on applying agreed-upon procedures.

**SIPC-7**

(36-REV 12/18)

**SECURITIES INVESTOR PROTECTION CORPORATION**  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation****SIPC-7**

(36-REV 12/18)

For the fiscal year ended 12/31/2018

(Read carefully the Instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member; address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

13\*13\*\*\*\*\*2743\*\*\*\*\*MIXED AADC 220  
47643 FINRA DEC  
LUCIA SECURITIES LLC  
13520 EVENING CREEK DR N STE 300  
SAN DIEGO, CA 92128-8105

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Margarita Tunc 858.726.1155

2. A. General Assessment (item 2e from page 2)

\$ 8,596.

B. Less payment made with SIPC-6 filed (exclude Interest)

( 4,349. )7/24/18

Date Paid

C. Less prior overpayment applied

(                      )

D. Assessment balance due or (overpayment)

4,247.

E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 4,247.G. PAYMENT: ☒ the boxCheck mailed to P.O. Box ☒Funds Wired ☐ACH ☐

Total (must be same as F above)

\$ 4,247.

H. Overpayment carried forward

\$(                      )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Lucia Securities LLC

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

(Title)

Dated the 7 day of February, 2019.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates:

Postmarked

Received

Reviewed

Calculations

Documentation

Forward Copy

Exceptions:

Disposition of exceptions:

# **DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1/2018  
and ending 12/31/2018

**Item No.**

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

**Eliminate cents**

\$ 9,281,765

**2b. Additions:**

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

**2c. Deductions:**

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0015

3,551,189

\$ 5,730,576

\$ 8,596

(to page 1, line 2.A.)